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SERVICE DATE – JANUARY 16, 2013

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35711]

KM Railways, LLC—Acquisition and Operation Exemption—DTE Chicago Fuels Terminal, LLC and DTE Coal Services, Inc.

KM Railways, LLC (KMR), a Class III rail carrier,¹ has filed a verified notice of exemption under 49 C.F.R. § 1150.41 to acquire from DTE Chicago Fuels Terminal, LLC (DTE Chicago), and DTE Coal Services, Inc. (DTE Coal), both noncarriers,² and to operate 9,350 feet of rail line, which connects with a line of Norfolk Southern Railway Company in Chicago, Cook County, Ill.³

The transaction may be consummated on or after January 30, 2013 (30 days after the notice of exemption was filed).

¹ KMR is indirectly owned by noncarrier Koch Industries, Inc. (Koch). In addition to KMR, Koch also controls directly or indirectly three other Class III rail carriers (Old Augusta Railroad, LLC, Blue Rapids Railway Company, LLC, and Moscow, Camden and San Augustine Railroad, LLC), and Koch has sought Board authority to control a fourth Class III rail carrier (Texas South-Eastern Railroad Company). See Koch Indus.—Acq. of Control Exemption—Tex. S. R.R., FD 35708 (STB served Jan. 11, 2013).

² On December 20, 2012, KMR, together with an affiliated Koch-owned entity, KCBX Terminals Company, entered into an Asset Purchase Agreement with DTE Chicago and DTE Coal. Under the terms of the agreement, KMR acquired the above-specified trackage and related rail facilities.

³ KMR states there are no designated mileposts.

KMR certifies that its projected annual revenues as a result of this transaction will not exceed those that would qualify it as a Class III rail carrier and will not exceed \$5 million.⁴

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions to stay must be filed no later than January 23, 2013 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35711, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on David H. Coburn, 1330 Connecticut Ave., N.W., Washington, DC 20036.

Board decisions and notices are available on our website at “WWW.STB.DOT.GOV.”

Decided: January 11, 2013.

By the Board, Richard Armstrong, Acting Director, Office of Proceedings.

⁴ By letter filed on January 8, 2013, KMR supplemented the notice of exemption, advising the Board that KMR’s projected annual revenues will not exceed \$5 million.